

Washington State



Office of Community Development

Housing Division

Housing Trust Fund Guideline and Procedure Handbook

January 2003

Office of Community Development
Housing Division
Davis-Williams Building
906 Columbia Street Southwest, Fourth Floor
Post Office Box 48350
Olympia, Washington 98504-8350
<http://housing.oed.wa.gov>

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GLOSSARY

INTRODUCTION

The Housing Trust Fund (HTF) Guidelines and Procedures Handbook (handbook) is the result of the combined efforts of Office of Community Development (OCD) staff and stakeholders. The handbook was developed in consultation with stakeholders, the Policy Advisory Team, a subcommittee of the Affordable Housing Advisory Board, Housing Division staff, and OCD's management. We appreciate the wealth of input that we received in the development of this handbook.

The Housing Division of OCD developed this handbook to guide applicants through the HTF application and administration processes and to assist OCD staff in reviewing, evaluating and underwriting proposals. This handbook contains statutory criteria, guidelines and procedures regarding the awarding, contracting and monitoring of a portion of HOME Program funds and all capital bond funds, excluding funds used for the Energy Matchmakers program.

We recognize that the handbook is a living document. As such, the format and content of the document may be revised as necessary. The handbook is effective for the Spring 2003 HTF funding round.

The handbook presents guidelines governing applicant and project eligibility, application requirements, and project funding criteria. The procedures cover areas including but not limited to the application process, project management, and long-term portfolio management. The handbook is arranged in chapters that include the statutory criteria, the application process, and the management of projects. The chapters are in chronological order to guide the applicants through HTF guidelines and procedures. The chapters are divided into sections to provide greater detail about the requirements of the program. Definitions of commonly used terms are located in the glossary. Required forms are labeled as such throughout this handbook.

As of January 2003, there is not a budget appropriation for the Housing Trust Fund for the 2003-2005 Biennium. Governor Locke's proposed 2003-2005 budget contains \$63 million for the Housing Trust Fund, and includes two set asides. The capital appropriation is financed by the sale of capital bonds. The implementation of state capital bond funded programs including the HTF is dependent upon the appropriation of funds by the Legislature and approval of Governor Locke. Budget revisions and restrictions on the expenditure of capital bond proceeds may impact OCD's ability to release funds for projects. Although OCD will conduct the application process, no state funds will be awarded until the Legislature has passed the 2003-2005 budget and the budget has been signed by Governor Locke.

The governor's proposed 2003-2005 HTF budget includes the following two set asides:

- \$8 million for seasonal and year round housing for farmworkers
- \$5 million for emergency and transitional housing for homeless families with children

The balance of the appropriation, \$50 million, provides funds for affordable housing and weatherization programs and will be used to acquire, construct rehabilitate and weatherize a variety of housing types for households earning less than 80 percent of the Area Median Income (AMI). \$9 million will be used for the Energy Matchmakers Program to make housing more affordable through energy conservation measures.

Funds Available

Based upon the Governor's proposed budget, the amount of funds projected to be available for the Spring 2003 funding round is \$20,748,000:

· HTF:	\$10,250,000
· Farmworker Housing Program	\$Up to \$4 million
· Homeless Families With Children Program:	\$Up to \$2.5 million
· HOME Investment Partnerships Program (federal):	\$3,500,000
· Survivors of Domestic Violence	\$498,000 (<u>carry forward from 2001-2003 Biennium</u>)

- **Housing Trust Fund:** Funds will be used to acquire, construct and rehabilitate a variety of housing types for households earning less than 80 percent of the Area Median Income (AMI). These funds will be awarded through the HTF application process.
- **Farmworker Housing Program:** Funds will be used for the creation of permanent and seasonal farmworker housing. Projects must benefit farmworkers whose income level is at or below 50 percent of the county median income. Seasonal Housing for migrant workers is prioritized for funding. Organizations may apply for these funds on an open door basis.
- **Homeless Families with Children Program:** These funds will be used for the creation of units of emergency shelter and transitional housing for homeless families with children. These funds will be awarded through the HTF application process.
- **HOME Program:** These federal funds will be awarded to successful HOME Program-eligible projects that can meet federal guidelines. HOME Program funds will be awarded through the HTF application process.

Other Funding Sources

- **Predevelopment Financing:** Nonprofit applicants may apply for funding to cover essential predevelopment costs through Impact Capital. Impact Capital administers a program that provides risk capital for low income housing development projects through loans and recoverable grants.

For more information regarding these funds, contact:

- **In King / Pierce County:** Angie McCarrel at (206) 587-3200 ext 106
 - **In Western Washington outside King / Pierce County:** Rich Brothers at (206) 587-3200 ext 111
 - **In Eastern or Central Washington:** Terri Symbol at (509) 456-8088
- **Housing Enhancement Funds (see Chapter 7):** Up to \$1 million is available from the Community Development Block Grant (CDBG) Program for 2003 to provide companion funding for projects that have been selected to receive grants or loans from the HTF. Farmworker Housing projects are also eligible to receive funding through the Housing Enhancement program. The purpose of the Housing Enhancement Program is to streamline the financing of eligible housing projects that may need additional funding in order to be successful. Requests for CDBG funds are considered at the same time as applications to the HTF.

CDBG Housing Enhancement funds are available to cover project costs that cannot be paid for using HTF dollars. Examples of eligible costs include off-site infrastructure that is essential to a housing project and is considered an ineligible cost to the HTF.

Housing Enhancement funds can also be used to pay for the non-housing costs of projects that are an integral part of a comprehensive project. An example would include the costs of a day care facility that has been incorporated into the design of a project that is requesting HTF support.

Eligible recipients of CDBG Housing Enhancement grants are cities and towns with less than 50,000 population or counties with less than 200,000 population provided that the cities, towns and counties do not participate in a U. S. Department of Housing and Urban Development Consortium. Applicants to the HTF that are not eligible to receive CDBG Enhancement funds directly, such as local housing authorities, tribal housing organizations, or local nonprofit developers, must apply through the eligible jurisdiction where the project is or will be located. Eligible applicants must meet all federal requirements of the CDBG program including the completion of project related citizen participation activities and funding disclosure report.

The review of CDBG Housing Enhancement applications includes the determination by CDBG and Housing Finance Unit staff that the amount of assistance being requested is funding a clearly defined gap between the amount of funds necessary to complete a project and all other potential funding sources. Use of CDBG Enhancement funds must be determined to be both necessary and appropriate within the scope and proposed use of a HTF Project.

HTF applicants that wish to be considered for CDBG Housing Enhancement funds must have the certified support of an eligible local government in advance of the HTF application due date. Potential applicants for CDBG funds are also encouraged to

contact CDBG staff prior to submitting an HTF application to discuss CDBG requirements and funding availability. CDBG staff are available to assist in providing information regarding local certification and citizen participation requirements. Contact Dwight Edwards, at (360) 725-3011, or e-mail him at dwighte@cted.wa.gov.

Housing Division Staff Contacts for Application Information

Corine Knudsen, Managing Director.....(360) 725-2931
e-mail: corinek@cted.wa.gov

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Homeless Families with Children
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Annie Conant, Supervisor/Services Enriched Housing.....(360) 725-2919
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Rosie Hughes, Farmworker Housing Assistant(360) 725-2975
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Janice Navarre, Homeownership(360) 725-2934
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Deanna Tabor, Rental Housing.....(360) 725-2976
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*Housing Division Fax Number(360) 586-5880

*No faxed or electronic submittals of applications will be accepted.

Application Assistance

HFU staff is available to provide information about the application and funding requirements to project developers. HFU staff can address questions concerning HTF guidelines and procedures. Applicants have the sole responsibility for drafting HTF applications. Predevelopment assistance may be available from Impact Capital as noted earlier in this document.

Before you begin preparing a HTF application, we recommend that you proceed as follows:

- Review the HTF Guidelines and Procedures Handbook thoroughly to understand HTF guidelines and procedures.
- If you have questions, call one of the above staff for more clarification. Also check the Housing Division website at <http://housing.oed.wa.gov> where a Question and Answer section will be posted and updated regularly.
- Attend one of the applicant workshops which are scheduled as follows:
 - Monday, February 3, 1-4 p.m. Ellensburg
DNR Area HQ
713 Bowers Rd
Ellensburg, WA
(509) 925-8510
 - Tuesday, February 4, 1-4 p.m. Spokane
Spokane Public Library
906 West Main Ave
Spokane, WA
(509) 444-5420
 - Wednesday, February 5, 1-4 p.m. Everett
Children's Village Childcare and Preschool
14 East Casino Road
Everett, WA
(425) 353-5656
 - Friday, February 7, 9 a.m.-noon, Lacey
St. Placid Priory
500 College St.
Lacey, WA
(360) 438-2595

Application Schedule

March 5, 2003

Stage 1 documents due to CTED Housing Division by 5:00 p.m. (see Section 306.3)

April 2, 2003

Stage 2 documents due to CTED Housing Division by 5:00 p.m. (see Section 306.3)

Allow adequate delivery time – Stage 1 and 2 application materials will not be accepted after 5:00 p.m. on the dates indicated. No exceptions.

Mailing Address:

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June 27, 2003

Final Funding Decisions, dependent upon adoption of 2003-2005 Biennium budget.